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November 18, 2005

OFC. OF THE SECRETARIAT

Ms. Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Reference File #2602.01  
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6(a), the Chicago Board of Trade (CBOT<sup>®</sup>) hereby submits the following:

- **Establishment of an Open Auction Primary Market Maker (PMM) Program for CBOT Two Year Treasury Note Options. (Summary of program's salient features is attached).**

There were no opposing views in connection with this program.

The CBOT intends to implement this program no sooner than one day after the Commission's receipt of this filing.

The CBOT certifies that this program complies with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths  
Vice President and Secretary

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## **CBOT® Two Year US Treasury Note Futures Options Open Auction Primary Market Maker (PMM) Program**

### **PMM Obligations**

Participants in the PMM program will provide two-sided markets in CBOT Two Year Treasury Note Options in the CBOT's open auction market, on a continuous basis and in response to requests-for-quote ("RFQs") during regular open auction market hours (7:20 a.m. to 2:00 p.m., Chicago time) for such options, unless prevented from doing so as a result of extraordinary circumstances beyond the EMM's reasonable control.

PMM participants agree that they will respond to RFQs for CBOT Two Year Treasury Note Options at agreed upon minimum size and maximum bid/offer spread levels for specified options series.

### **PMM Incentives**

Waiver of transaction fees: CBOT open auction transaction fees (excluding clearing fees) will be rebated for PMM proprietary transactions in CBOT Two Year Treasury Note Options during the market hours of their assignment. The fee waiver period will coincide with each PMM's period of participation in this program.

Preferencing/Entitlements: PMMs will be entitled to a percentage of each transaction in CBOT Two Year Treasury Note Options, in a percentage to be determined, where PMMs have matched the bid or offer prior to trade completion, during the hours of their assignment. Total preferencing to all PMMs will be limited to 40%. Preferencing will be allocated among PMMs based upon the number of participants, their respective market making commitments, capitalization and market performance. CBOT will evaluate participant performance on a quarterly basis, and reserves the right to reallocate entitlement percentages among PMMs based upon these evaluations.

### **Term**

The program will have a maximum initial term of 13 months.

### **Termination**

PMM Agreements may be terminated for uncorrected material breach, upon specified advance notice, or by mutual consent.